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REORGANIZATION OF CIA MILITARY INTELLIGENCE PRODUCTION:
REPORT OF DDI-DDS&T JOINT STUDY GROUP TO THE MANAGEMENT COMMITTEE

EXECUTIVE SUMMARY

1. The essence of the problem is this: The Foreign Missile and Space Analysis Center (FMSAC) and the Office of Scientific Intelligence (OSI) perform specific tasks of weapons technology analysis quite well, but their organization has often inhibited a sound relationship with larger military intelligence concerns. The Office of Strategic Research (OSR) is well organized to study current deployed forces; but several factors, including the lack of adequate organizational focus, have inhibited its provision of more aggregative intelligence analysis demanded by policymakers.

2. To help correct these deficiencies, the Joint Study Group (JSG) recommends the restructuring of military intelligence production components along the following lines:

- a. An office for Weapons Systems Analysis, combining FMSAC and the Defensive Systems Division, OSI, to analyze weapons research and development and systems characteristics.

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b. An office for Forces Analysis, corresponding essentially to present OSR, to analyze deployed forces and related subjects.

c. A Strategic Evaluation Center, subordinated initially to the head of the Office for Forces Analysis, to study broad foreign national security policies and to conduct net force assessments.

3. The JSG presents and, in Section VI of this report, discusses the pros and cons of three alternatives for managing the recommended military intelligence components at the directorate level:

a. Placing Weapons Systems Analysis in the DDS&T, and placing Forces Analysis and the Strategic Evaluation Center in the DDI.

b. Placing all components in the DDS&T.

c. Placing all components in the DDI.

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I. Our Charter

1. Pursuant to a directive from Mr. Colby, in April 1973 the DDI and the DDS&T established a Joint Study Group (JSG) "to examine the merits of consolidating military intelligence analysis and production" in the CIA.* This report presents the deliberations and recommendations resulting from this examination. As directed, the JSG considered:

a. "the duties and functions of a consolidated military intelligence production component." This concern is reflected throughout the report.

b. "the alternative organizational arrangements to consolidate such production." Organizational consolidation is addressed at two levels in this report. Sections IV and V present a general recommendation (with minor variations) for organizing the office-level or functional components of military intelligence production. Section VI presents three major alternatives (with arguments pro and con) for managing the recommended office-level organization at the directorate level.

c. "the relationship of a consolidated unit to other intelligence production components in the Agency." This concern is addressed in the report where appropriate.

2. Additional guidance from the Director and the Management Committee tasked the JSG to consider military intelligence functions that demand increased emphasis at the Agency, as well as functions

* Members of the JSG were: [redacted] Member, Board of National Estimates (Chairman); Mr. Donald Steininger, Associate Deputy Director for Science and Technology; Mr. Paul V. Walsh, Associate Deputy Director for Intelligence; [redacted] Special Assistant to the Director; and [redacted] Special Assistant to the Director. On 18 June, after the bulk of the JSG's substantive deliberations had been completed, [redacted] absented himself due to illness.

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that might properly be deemphasized, in the light of relationships with other intelligence agencies. The recommendations in this report reflect the JSG's concern to give increased emphasis to highly aggregative aspects of military intelligence, notably net national and net force assessments. We determined, however, that our concern with internal organization did not allow us to give the detailed attention to Agency relationships with other intelligence agencies necessary to support decisions on reducing functions presently performed in the Agency. We believe that further study of this subject must be accomplished with the intimate participation of the management and staff of military intelligence production components.

II. Our Approach

3. At present, the major military intelligence production responsibilities of the Agency are lodged in three separate and rather different offices within two directorates, a situation that is historically explicable but not obviously justifiable on substantive grounds. A prima facie case for reviewing this organization certainly exists.

4. The major concern of the JSG was, however, less with organizational simplification than to find a structure that could be expected materially to improve the military intelligence product of the Agency. Although not tasked to conduct a product review, as such, product improvement objectives weighed heavily in our work; namely:

a. To increase sensitivity and responsiveness to the military intelligence needs of national policymakers.

b. To give added attention to highly aggregated aspects of military intelligence; for example, net force assessment and the manner in which foreign military behavior is influenced by foreign policy goals, economic policy, technology, internal bureaucratic factors, and threat perceptions.

c. To improve the integration of the entire military intelligence process at the Agency.

d. To assure a sound relationship between military intelligence production and collection responsibilities.

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5. We emphasize our conviction that organization is not the sole key to improved performance. The world that military intelligence studies is vast and complex. No approach to defining it and dividing it organizationally can avoid difficulties in assuring the proper interface of functional components. Thus, much continues to depend on the provision of strong substantive leadership, high-quality analytical talent, vigorous communication across organizational lines, and steady support from senior management.

6. This report is intended to address the basic organizational issues that we believe will most concern the Management Committee as a whole. Although we consider some fairly detailed aspects of component organization, we appreciate that many such details will have to be reviewed and conclusively resolved with the close participation of management at the office and lower levels. This report falls well short of presenting a detailed Table of Organization for recommended components. Establishing detailed Tables of Organization and deciding who goes where will have to come after decisions on the basic structure of military intelligence have been made and properly should be influenced by recommendations of those responsible for military intelligence production.

III. The Functional Process of Military Intelligence

7. The most enduring task of military intelligence is to illuminate and predict the emergent military capabilities of technologically advanced adversaries. The second major task of military intelligence, to illuminate foreign military behavior in crisis or conflict situations, cannot be performed unless the long term task is performed well. To perform this task well, military intelligence must be organized around the process it studies. The figure on page 4 depicts our conception of the functional process of military intelligence. The emergence of the high-technology hostile forces that are a principal concern of military intelligence actually commences in basic science and technology. We believe this point of origin is not organic to the military intelligence process since it is often imbedded in non-military activity and, more crucial, it is rarely observable where directed toward military ends by technologically advanced and secretive adversaries.

8. Military intelligence picks up the process when foreign technical activities are identified as weapons-related. This occurs most frequently when weapons R&D has proceeded to the point of systems

THE FUNCTIONAL PROCESS AND CONTEXT OF MILITARY INTELLIGENCE

WORLD SITUATION

POLITICAL AND ECONOMIC INTELLIGENCE

CURRENT MILITARY THREAT

FUTURE MILITARY THREAT

"BLUE" DATA

STRATEGIC EVALUATION

NET NATIONAL ASSESSMENTS
NET FORCE ASSESSMENTS

PROJECTIONS
FUTURE FORCES AND STRATEGIES

FORCES ANALYSIS

ORDER-OF-BATTLE
OPERATIONS AND MAINTENANCE
C3, DOCTRINE, WAR PLANS

FORCE TRENDS

CRISIS
EVALUATION

HUMINT
COMINT
IMAGERY

WEAPONS SYSTEMS ANALYSIS

WEAPONS TECHNOLOGY
CHARACTERISTICS
PERFORMANCE

R&D TRENDS

RAW DATA ON
R&D EVENTS

TECHNICAL DATA PROCESSING

ADVANCED SCIENCE AND TECHNOLOGY

FUTURE MILITARY SYSTEMS

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testing. Here diverse and often enigmatic technical signals are processed into usable data. These data are then analyzed in conjunction with others to yield assessments of the technical and performance characteristics of emergent weaponry. These assessments are in turn inputs, along with data on weapons production, deployment, operations, and maintenance, to assessments of the extant and future military potential of hostile forces. Finally, the process is capped by concern about the motivations underlying the adversary's actions, non-military factors influencing him, and "net" judgments about his capabilities and intentions in relation to those of the United States and other nations.

9. As the process moves forward, the substantive scope of concern broadens. Throughout, military intelligence is strongly influenced by other intelligence producers, notably political, economic, and foreign science and technology research. It is evident that this conception of the functional process of military intelligence is heavily influenced by the primacy of concern with the USSR as the adversary posing the most diverse and high-technology threats. But this conception also accommodates attention to other states and to low-technology forces.

10. Because we believe that it accurately describes how military intelligence is best performed, this functional conception has guided our approach to organization.

IV. Our Salient Recommendations

11. We recommend that Agency military intelligence functions be organized along the following lines:

a. An office for Weapons Systems Analysis (WSA) concerned primarily with foreign military RDTE&S and the assessment of the technical and performance characteristics of present and future foreign weapons systems.

b. An office for Forces Analysis (FA) concerned primarily with the production, deployment, operations, maintenance, and employment (or employment planning) of foreign national and regional military forces.

c. A Strategic Evaluation Center (SEC), initially subordinated to the head of FA, tasked to study broad national

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security policies of foreign states, to conduct comprehensive net force assessments, to coordinate Agency military intelligence inputs to major national policy deliberations and National Intelligence Estimates (NIE's), and to conduct special analytical projects as needed.

12. More detailed consideration of the organization and functions of these components will be presented in Section VI. Here we wish to address the fundamental questions posed by these recommendations.

Why combine FMSAC and the weapons elements of OSI?

13. The recommended WSA office would come essentially from present FMSAC and OSI/DSD. The present division of weapons analysis responsibility between OSI and FMSAC is the result of the overriding importance ascribed in the early 1960's to Soviet long-range ballistic missile technology. It leaves us today with one large office for this discrete, if vital, function, and a second that studies a variety of other military technology as well as non-military technology.

14. This division has contributed to a number of difficulties:

a. It complicates establishment of a proper balance of attention between ballistic systems and other military technologies.

b. It complicates the relationship between weapons systems analysis and other elements of military intelligence; i.e., OSR, under present arrangements.

The recommended WSA office would ease both problems.

Why not establish a single office for all advanced science, technology, and weapons systems analysis?

15. In other words, why not simply combine FMSAC and all of OSI, an option that has, from time to time, been considered by DDS&T? We recommend against this option because, despite the appearance of organizational consolidation, it would actually dilute rather than consolidate the strictly military intelligence functions of these offices. Weapons systems analysis would be embedded in an office with much wider, including civil technology, concerns thereby perpetuating one of the

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problems of current organization. Moreover, advanced S&T analysis and weapons systems analysis are, in practice, separable by virtue of the intelligence sources involved.

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Why place weapons systems analysis and forces analysis in separate offices?

16. If consolidation is the primary objective, why not create a single office that considers military weapons and forces from "soup to nuts"; i.e., from R&D testing through deployment, operation, and deactivation? We gave serious consideration to this option because, in the case of high-technology forces, the flow of the intelligence process from R&D to deployment is a continuous one. A rigorous separation of concern is difficult to justify and, in fact, impossible to maintain.

17. We decided against combining weapons and forces into a single office for the following reasons:

a. A single weapons and forces office, combining essentially FMSAC and parts of OSI and OSR, would be an unmanageably large entity.

b. Weapons technology and forces analysis concerns in the Agency do not correspond one-for-one. There are many force analysis issues, notably in general purpose and land combat forces, that deserve substantial Agency attention. But the Agency is not and probably need not be heavily committed to studying the military technology involved. In a "soup to nuts" office, forces analysis might shrink to the scope of weapons systems analysis, i.e., to exclusive concern for high-technology forces, or weapons systems analysis might expand unnecessarily to duplicate the concerns of forces analysis.

c. Weapons systems analysis and forces analysis, we strongly believe, must be organized on different principles. The analysis of weapons technology is properly organized around the technology itself, aggregated into classes of weapons or roles-and-missions units (for example, Strategic Offensive Forces/Ballistic Missiles). It is essentially trans-national. At a fairly early point in the analytic chain, a man who looks

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at Soviet ICBM's should also study China's. Assuming that a sound weapons technology input is available, forces analysis, on the other hand, is properly organized around the national entities that deploy and use the forces, taking account of national military organization, doctrine, command-and-control, and O&M practices. In our deliberations, we found those most in favor of the combined office came from the technology side of the house and preferred to organize the entire military intelligence effort along technology lines dictated by their concern for high-technology weapons. The country and regional focus would have been largely lost. Similarly, a combined office organized along national or regional lines would do violence to the integral, trans-national essence of technology. By establishing two offices, we avoid both horns of this dilemma.

18. The two-office approach nevertheless perpetuates the problem of assuring analytic continuity from R&D through deployment and operation in the case of high-technology forces. We believe that the consolidation of weapons systems analysis into a single office will substantially alleviate this problem by reducing the number and making more homogenous the concerns of the largest interacting components, WSA and FA. The SEC, moreover, is envisioned as a component that will be deeply concerned with both weapons technology and forces issues, serving therefore as an additional stimulus to interaction. Finally, if military intelligence is lodged in a single directorate, a unified management would provide additional assurance that the two offices cooperate appropriately.

19. We believe firmly that the division of primary analytical responsibilities between WSA and FA should not be based on a rigorous across-the-board application of the concept: R&D on one side; production deployment and operations on the other. Rather, in some cases the Forces Analyst should carry responsibilities for following developmental activities and ~~and~~ in others, the Weapons Analyst should cover some aspects of the operational forces. For example, complete technical assessment of ABM systems cannot be achieved unless interceptors, radars, command-and-control and related systems are considered in an integrated force context. This necessarily compels Weapons Analysis to intrude deeply into the "domain" of force deployment and operations. In general, the division of labor between FA and WSA should attempt to avoid unnecessary duplication of analytic effort and to place the interface for each area at the point where required analytic interaction is the most efficient. We believe that solutions to this problem, appropriate to a specific context, can be found by the management of the functional components. Such solutions may involve some rearrangement of current manpower allocations.

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Why establish a Strategic Evaluation Center?

20. The reason we recommend the establishment of such an entity lies essentially in the functions attributed to it on page 5. Agency military intelligence needs an organization that can range widely over urgent but often general military intelligence problems, break new analytical ground, and respond in a sustained but flexible manner to the rising demand of policy consumers for analysis of the motivations behind and the more far-reaching consequences of adversary military behavior. Concern for the net assessment task is at the core of our recommendation to establish the SEC, and is envisioned as the most enduring focus of its work. We see this task as having two major dimensions: first, the broad integration of foreign national security policy, i.e., military policy as it interacts with foreign policy, economics, technology, and internal bureaucratic politics; second, (but as informed by the first perspective) the study of foreign military force interactions with the forces of other states, particularly those of the United States, i.e., net force assessment.

21. During our discussions, many terms were advanced as descriptors for the SEC: a military intelligence special research staff; an "in-house think tank"; a "big picture outfit." All these terms are appropriate to some degree. The important point is that the Center should be separate enough to undertake new tasks but close enough to the rest of military intelligence to exploit and, most vital, influence its product. It should be flexible enough to meet changing needs, sufficiently structured to carry on enduring responsibilities. It should be big enough to do the job, small enough to avoid the calcification of hierarchy.

22. We believe the tasks we see for the Center cannot merely be levied on established offices or the recommended WSA and FA. For several years, intelligence consumers (notably their White House "representative," [redacted] have been pressuring the Agency for new product departures along lines discussed above. Neither party to the dialogue is fully satisfied with results to date. Neither party is without blame for lack of progress. Often it takes a new organization to do a new job. We believe this is one of those occasions.

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What happens to the "remainder," especially the Future Systems Branch of OSI?

23. Under our proposed organization, OSI/DSD would come into WSA. We recommend that the other elements of OSI should remain outside the military intelligence organization. These elements are Physical Sciences and Engineering Division (PSED), including the Future Systems Branch; the Life Sciences Division (LSD); and the Nuclear Energy Division (NED). (Problems relating to NED are addressed on page 14.) The work of these entities is always indirectly and often directly related to military intelligence. It is always, however, intimately entwined with important civilian science and technology concerns that will grow in significance as foreign states progress technologically and problems of technology transfer intrude into United States foreign policy. We believe it would be unwise to bring all Agency intelligence production on science and technology, including civilian, under one military roof. On the contrary, we believe it would be quite healthy to keep substantial S&T analytical competence outside military intelligence, even though, and in some respects because, that competence is often relevant to military intelligence.

24. This argument applies, in our view, to the place of future systems research. We recommend that study of future military systems should be accorded increased emphasis and lodged outside WSA. The reason for according this work increased emphasis is straightforward. The essence of future systems research is "inventing" plausible hostile weapons concepts on the basis of technology trends and theoretical possibilities, often in the absence of evidence that foreign states are actually pressing the relevant technology. This work is intended to avert technological surprise. It is an increasingly vital predictive tool in a period when United States technological lead over its major adversary (and other states) may be dwindling. It is and should remain heavily military in orientation, although concern for civilian applications is not out of place.

25. Why place the Future Systems Branch outside military intelligence? The main reason is that future systems research is keyed to world technology trends and theoretical possibilities while weapons systems analysis is properly tied to observable R&D evidence, usually from testing. This generates a tension that could be counterproductive if the two enterprises are too closely associated. Weapons systems analysts are appropriately reluctant to "invent" hostile systems that depart much from current observables and their historical sense for the way foreign entities do business. This conservatism, however,

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inhibits future systems research. Further, we believe it wise to assure that several production entities outside the military intelligence organizations have strong intellectual investments in aspects of the larger military intelligence problem. Future systems research is a salient example. Similarly, political researchers properly have such an investment in their concern about the foreign policies and internal political-military relations of foreign states. Economic analysts outside military intelligence clearly speak to the concerns of such analysts within it. At present, OER contributes directly to intelligence on Soviet foreign military assistance by monitoring agreements and equipment deliveries. We see no reason to alter this arrangement.

26. It is beyond our charter to recommend organization for functions we place outside military intelligence. But we offer as one possibility the creation of an Office of Foreign Science and Technology within the DDS&T to incorporate the "remainder" of OSI.

V. Organizing the Functional Components of Military Intelligence

27. In this section, we present further detail on the functions and structure of the recommended military intelligence production components. We remind readers of our earlier point that this discussion is intended to give the Management Committee sufficient information to decide on the general structure of military intelligence organization. Many details will have to be reviewed and resolved by management in the process of implementation.

Weapons Systems Analysis (WSA)

28. The functions of the office for Weapons Systems Analysis should be:

a. To provide, as necessary to support national intelligence, descriptions and analysis of the technical and performance characteristics of developing and deployed foreign weapons, military, and space systems.

b. To provide analysis of foreign military R&D trends, policies, facilities, institutions, and decisionmaking.

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c. To provide net technical assessments of foreign and United States weapons systems.

d. To provide appropriate guidance to intelligence collection activities supporting WSA.

e. To manage, as appropriate, the technical data processing competence required to support WSA.

f. To participate in USIB committee activity pertinent to the functions of WSA.

g. To initiate and monitor external contract research activity necessary to support WSA.

29. The organization of a consolidated WSA office presents two generic problems. First, how should the weapons systems concerns of the office be clustered in order to create an efficient set of production divisions? Second, how much technical data processing capability should be managed directly by this office and how should that activity be coupled with the production divisions? Our deliberations have led us to the conclusion that these key issues need not be conclusively resolved before a firm decision on the creation of a consolidated WSA office is made. Indeed, in some respects they should not be resolved a priori. This new office, while superficially a mere juxtaposition of currently effective entities, will create new working conditions, require some reconsideration of resource allocations among subjects, and prompt new reporting devices. The right way to do business cannot be discovered in detail and imposed from above. Designated office management and their personnel will have to have genuine influence over these decisions, and some experimentation may be required to reach them.

30. It is observed that the analytical division structure illustrated on page 13 corresponds roughly to the present division of labor between FMSAC and OSI/DSD, with a new division added. One immediately perceives knotty subject allocation problems that exist today. Should the people responsible for SLBM technology carry the burden of SSBN technology as well? Should bombers be clustered with other strategic offensive systems? Should command-and-control technology be parceled out as it pertains to particular weapons systems? We believe that in this office the logic of technology should prevail and that it dictates the subject allocation we indicate. Office and division management will nevertheless be obliged to assure appropriate cross-divisional communications, a task that will pose no great burden within a consolidated office.

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31. The disposition of nuclear weapons competence warrants special attention. We believe that WSA must have such competence or ready access to it. We also recognize that pulling all such competence out of the Nuclear Energy Division of OSI, an element we see residing outside military intelligence, would cause significant dislocation. Nuclear energy tends to be a homogenous business. The current head of NED is also the chairman of the Joint Atomic Energy Intelligence Committee (JAEIC), a function he could not perform without steady access to nuclear weapons expertise. NED contains a Nuclear Proliferation Branch whose importance is unlikely to decline and whose performance depends on close contact with nuclear weapons analysts. At present, NED contains [] professionals, including [] Nuclear Weapons Branch. We believe that this talent pool is sufficiently large and the nuclear weapons problem sufficiently discrete to allow either of two options:

a. Leave the main concern for nuclear weapons design and application in NED while providing a representational presence in WSA.

b. Place the main concern for nuclear weapons in WSA while providing a representational presence in NED to assure the proper interface.

The choice between these options may be left to office management.

32. The provision of adequate technical data processing support to WSA is complex, subtle, and very important. This crucial function links a diversity of technical collection systems with weapons analysts.

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39. WSA would absorb the representational functions currently exercised by FMSAC and OSI/DSD in the USIB arena. Adoption of our recommendations would yield a Weapons Systems Analysis office of people.

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Forces Analysis (FA)

40. The functions of the office for Forces Analysis should be:

a. To provide, as necessary to support national intelligence, description and analysis of foreign national and regional military forces regarding their production, deployment, operations, maintenance, logistic support, military leadership, command and control, employment plans and exercises, and combat effectiveness.

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- b. To analyze the military and defense-related institutions of foreign states.
- c. To assess observable trends in foreign deployed military forces.
- d. To assess the military behavior of foreign states involved in actual or impending military crisis or conflict.
- e. To provide guidance to intelligence collection supportive of FA.
- f. To initiate and monitor appropriate external contract research.
- g. To assess the defense expenditures of foreign states, principally the USSR and China.
- h. To house the entity responsible for production of current intelligence on foreign weapons technology and military forces.

41. The proposed FA functions and organization are a fairly direct parallel with present OSR. It is organized along country/regional lines. The anchor point of its concerns is in deployed forces. Because it depends heavily on inferences drawn from deployed forces and observed military activity, analysis of defense expenditures continues to reside in this component. Several important points of departure from the status quo warrant discussion, however.

42. We recommend transferring to the Strategic Evaluation Center principal responsibility for several aggregative analytical functions hitherto found in the regionally focused production divisions of OSR but that require greater resources and a new organizational setting. These will be treated in the following subsection.

43. We recommend the creation in FA of a single division for maintaining data on and analyzing the indigenous forces of the non-communist world.

[REDACTED] this division will certainly be smaller than those for the USSR and China, but it should contain more resources than currently devoted to Free World forces analysis in OSR/RAD. Establishment of such a division is responsive to the increased importance of non-communist regional forces and military developments to United States national security decisions.

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44. The function of producing current military intelligence is now performed for OSR, FMSAC, and the military elements of OSI by OSR/Regional Analysis Division (RAD). The functions of RAD are broader than current intelligence reporting. They include the production of the President's Quarterly Report on Soviet Strategic Forces, the SALT Monitoring Report, and the drafting of DCI briefings. These and other functions impose on RAD unique and difficult tasks of integrating inputs from various Agency components. [REDACTED]

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45. Experience has shown that current reporting in the military area is a specialized function in its own right. It cannot be efficiently levied on major analytic components without disrupting the latter's work. It should bridge concern for both weapons technology and forces. It rather naturally combines short-term (daily) reporting with reportorial functions of longer periodicity. Thus we recommend that RAD be maintained, and that it should be a component of FA -- although we suggest the name Current Reporting Division would be more in order than Regional Analysis Division.

46. We have observed, however, that military intelligence displays the abiding tension between current reporting, where the aim is to get a product very rapidly, and analysis, where there is a disposition to wait for further evidence. Military analysts often feel that they cannot exert sufficient influence on current reporting that they do not generate, with the result that it is occasionally found incomplete or misleading. This complaint is frequently heard from DDS&T analysts with regard to OSR/RAD's performance. This tension probably cannot be completely eliminated. But we recommend the following steps to minimize it:

a. The staffing of the Current Reporting entity should include weapons systems and technical personnel from WSA on a rotational basis.

b. This entity should be directed to adopt more effective procedures for soliciting and employing substantive guidance from the production divisions of WSA and FA.

c. Its size and output should be kept to the minimum required by periodic reporting duties.

47. The Forces Analysis office we envision would have [REDACTED] people.

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Strategic Evaluation Center (SEC)

48. The functions of the Strategic Evaluation Center should be:

- a. To study the national security policies of foreign states, particularly the USSR and China, in the light of their military capabilities and trends, foreign policy, economic resources, technology, internal and bureaucratic politics.
- b. To conduct net force assessments and related force and arms-race interaction analysis.
- c. To provide direct analytic support on major national policy and national intelligence issues; for example, SALT, MBFR, NSSM's, NIE's. Also, to house the coordination function for support in these areas from other components of military intelligence.
- d. To study future forces and strategies, to compile foreign force projections and associated rationales.
- e. To study and develop long-range arms-control verification and intelligence counterdeception strategies.
- f. To study problems pertaining to the effective and efficient acquisition of strategic warning and indications.
- g. To stimulate and, as necessary, provide a forum for broad interaction within Agency military intelligence, between military intelligence and other Agency components, intelligence consumers, private and academic expertise.
- h. To initiate and monitor external contract research to support the functions of the Center, particularly in the area of force exchange modeling.

49. We underscore our recommendation of an unconventional approach to the organization of the SEC. It should not be regarded as another office or division with the conventional structure. It represents a pool of talent clustered around a few enduring classes of research and analysis. These clusters will require more or less permanent management, but the work within them will proceed essentially on a project basis for which leadership will be chosen according to the ability and initiative of individuals pertinent to subject matter.

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25X1 50. We envision the establishment of the Center as a gradual process guided by experience and, more than any other factor, the availability of necessary talent. At the outset, a minimum of [] professionals will be required to give the Center a running start. When it gets up to speed, a process that may involve 12 to 18 months, the Center should have cadre and long term assignee personnel not in excess of [] professionals.

25X1 51. Where do these people come from? We see several slots currently in OSR that, on substantive grounds, would shift naturally into the Center; i.e., those in the Program Analysis Division studying broad military-economic issues and the Strategic Evaluation Branch. Beyond this, the staff of the Center will have to be drawn from WSA and FA, as well as other production components of the Agency on an individual basis. Inevitably, new talent will have to be recruited, particularly for net force assessment. The ultimate success of the Center depends, above all else, on the commitment of management to internal and external recruitment of the needed talent. (We might note that, in considering the staffing of the Center, the management of military intelligence components can develop a better understanding of the talent profile within military intelligence and what has to be done to improve it.)

52. The work of the Center will rest principally on a small permanent cadre and long term assignees (assigned for more than 18 months). We also see it drawing on personnel assigned for shorter periods to participate in specific projects, as well as on substantive contributions by professionals in the other production offices. As a result of this flexible rotation mode of staffing, the Center can serve as a new source of training, intellectual stimulation, and career development for other parts of military intelligence.

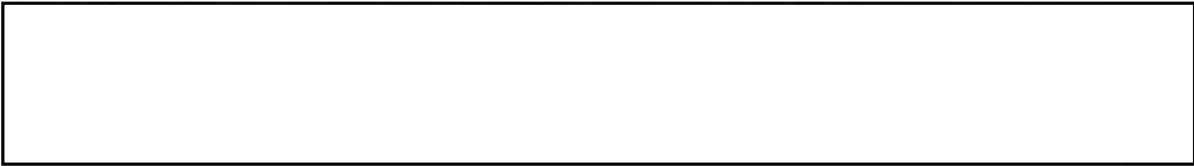
53. Prevailing Agency personnel practices with regard to the relationship of grade and supervisory roles will have to be substantially relaxed if the Center is to succeed -- as they probably should be elsewhere.

25X1 54. The Military Intelligence Policy Support Staff should be a small group of [] professionals with functional areas of concern. For example, [] men experienced in strategic forces could handle SALT, strategic NSSM's, and strategic NIE's. One of their missions would be to develop the best understanding of consumer needs in their areas and advise research planning of military intelligence accordingly.

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56. The Net Force Assessment Group should have competence spanning both strategic and general purpose forces. It must be able to build and run computer and war-game simulation tools. We believe a cadre of [redacted] would put the group in business, expanding as required to [redacted]

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57. The National Security Policy Group would be the most flexibly structured and run. A staff of [redacted] should be provided to start up, expanding to [redacted] as needed. One sorely needed project on which this group could begin would be to review the primary data and finished intelligence on Soviet defense decisionmaking, report out a "best current understanding," and advise on future research and collection needs in this area, after which the basic research task would devolve to other production components, and a similar "zero base" effort could commence on China.

25X1

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58. We recommend that, at the outset, the SEC should report to the head of FA, but the Center should not be run as a division of FA. This arrangement would provide an element of management "patronage" needed to assure proper staffing of the entity. This would also allow the Center to rely on FA administrative support, thus limiting overhead costs. If a decision is made to lodge all military intelligence components in one directorate, the SEC could evolve into a more independent role, reporting to the person in charge of all military intelligence production.

VI. Managing the functional components: Where to put them?

59. The Management Committee has essentially three alternatives:

a. Retain the present split of weapons technical and forces analysis between the DDS&T and the DDI, respectively, placing the recommended WSA office in the DDS&T and the FA office and SEC in the DDI.

b. Place all components in the DDS&T.

c. Consolidate all components in the DDI.

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60. A fourth alternative would be to place WSA and FA in the DDS&T and place SEC in the DDI. This would implant the military intelligence element most dependent on political and economic intelligence in the directorate generating it. But it would place an inter-directorate barrier between this element and all the routine military intelligence activity on which it heavily depends. For this reason, we advise against this option.

61. A fifth alternative would be to form an entirely new directorate to house WSA, FA, and SEC. This option would give military intelligence a special importance in the Agency structure. It would also provide a directorate management that would be single-mindedly devoted to generation of an integrated military intelligence product. The disadvantages of such a move are readily apparent, however. It would create yet another set of inter-directorate barriers within the Agency, tending to insulate military intelligence from both the larger technical environment and the political-economic environment. It would create a high-profile target for DOD criticism. It would involve substantial bureaucratic disruption and new overhead costs. Because of these disadvantages, neither we nor, evidently, anyone else, are favorably disposed toward creation of a new directorate.

62. It is obvious that deciding among the three viable alternatives will be painful because they directly affect important personal and institutional interests. Because those interests were evenly represented in the JSG and because its "non-representative" members were not in a position to speak for the Director given the transitional conditions of late, any recommendation we might make would represent what Khrushchev once called an "arithmetic majority" (that he later purged). Hence, we make no recommendation among these alternatives. We see our most useful role in presenting the arguments for and against each as fully as possible and then, as desired, debating them with the Management Committee.

The Split Option

63. The advantages of this option are that:

- a. It keeps weapons technical people in a technical environment important to their competence and career development.

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b. It keeps forces and strategic evaluation people in a political-economic environment at a time when military intelligence must give increasing attention to political and economic considerations.

c. The resulting military intelligence structure would retain a low profile in the face of possible criticism from the Department of Defense and other sources.

d. Because it corresponds most closely to present directorate-level arrangements, this option minimizes bureaucratic disruption.

64. The disadvantages of the split option are that:

a. It perpetuates the need to coordinate military intelligence product across directorate lines.

b. It could complicate the provision of indispensable weapons technical talent for the staffing of current reporting in Forces Analysis and the Strategic Evaluation Center.

65. Some may feel that the JSG evaded its mandate to consolidate by offering the Split Option. We maintain, however, that the recommended office-level structure represents a significant consolidation and rationalization of military intelligence management in its own right. In the event the split is retained, it would allow cross-directorate coordination to be supervised by two managers, WSA and FA, the latter motivated by powerful weapons technical concerns of SEC as well as FA functions. By contrast, today there are three office-level managers involved in coordination, whose concerns vary greatly in substance and scope. Because present military intelligence problems have been influenced by the anomalous situation at the office level, we find it hard to gauge how much the interdirectorate barrier, per se, has actually contributed.

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The DDS&T Option

66. The advantages of placing all components in the DDS&T are that:

a. It unifies military intelligence in the directorate with the technical expertise essential to most aspects of modern military intelligence.

b. It unites all military intelligence in the directorate responsible for the most important intelligence sources.

67. Disadvantages of the DDS&T option are that:

a. It would tend to increase technical domination over military intelligence at a time when consumer demands and complaints compel more attention to strategic, political, and economic considerations and the development of more aggregative assessments.

b. It might emphasize the analysis of high-technology strategic forces at the expense of general purpose forces and lower-technology threats.

c. It might lead DDS&T to emphasize military intelligence at the expense of other requirements.

d. It would further expand the management responsibilities of the DDS&T.

The DDI Option

68. Advantages of placing all components in the DDI are that:

a. It would unite military intelligence in a context that facilitates attention to interrelated political and economic considerations, thereby optimizing the capability to produce those aggregative assessments most demanded by our consumers and our critics.

b. It would result in the concentration of most finished intelligence production of major importance in a single directorate.

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76. The management of the new structure should give early attention to new procedures for providing collection guidance in the military intelligence area. We have identified collection guidance as an important function of all production components. We believe that collection guidance is an integral part of the analytical function. At present, analysts too often give this problem only perfunctory attention.

77. Once the basic structure of Agency military intelligence production is decided on, the problem of "duplication" and relations with other military intelligence producers should be taken up in detail.

78. Finally, the management of the chosen production structure should develop new and better ways to exploit external contract research. External contract support is extensively used in technical areas at present. We believe it can also make valuable contributions in forces analysis and strategic evaluation.

79. It would probably be advisable to keep the JSG intact or to appoint a comparable small group representing the DCI, the DDI, and the DDS&T to monitor and counsel the fulfillment of these tasks. To the extent support issues arise in implementing reorganization, the DDM&S should also be represented.